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TRIAL

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

12 CR 798 (LAP)

5 REZA OLANGIAN,

6 Defendant.

7 -----x

8 New York, N.Y.
9 November 7, 2016
3:45 p.m.

10 Before:

11 HON. LORETTA A. PRESKA,

12 District Judge

13
14 APPEARANCES

15 PREET BHARARA

16 United States Attorney for the
Southern District of New York

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Assistant United States Attorney

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NADJIA LIMANI

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1 THE COURT: Welcome back, ladies and gentlemen. Thank
2 you for being so prompt. That will help us get our work
3 finished. Won't you be seated.

4 Now that you've been sworn in, ladies and gentlemen,
5 I'd like to give you a few preliminary instructions to guide
6 you in your participation in this trial.

7 As I told you before, it's your function in this case
8 to decide the issues of fact. Your decision on the issues of
9 fact is to be based solely on the evidence.

10 Nothing I say is evidence. Nothing any of the lawyers
11 say is evidence. Questions by themselves are not evidence.
12 Objections are not evidence. Testimony that's been excluded or
13 that you're told to disregard is not evidence.

14 The evidence consists of the sworn testimony of the
15 witnesses and the exhibits that will be received into evidence.
16 In some instances, there might be facts that the lawyers agree
17 to called stipulations, and that's evidence also. But if we
18 have any of those, I'll tell you about it at the time.

19 Now, there are two types of evidence, direct and
20 circumstantial. Direct evidence is, needless to say, direct
21 proof of a fact, usually something that a witness obtained
22 through the use of his or her senses, something he or she saw,
23 touched, etc., etc.

24 Circumstantial evidence is proof of facts from which
25 you may infer or conclude the existence or nonexistence of

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1 other facts. The example that's always given is assume the
2 shades in the courtroom are closed. You couldn't see the
3 weather outside, and you couldn't put your arm through the wall
4 and feel the weather outside.

5 But as we were sitting here, someone walked into the
6 back of the courtroom with a dripping raincoat and umbrella.
7 On the basis of those facts, using our common sense, we would
8 infer or conclude that it had been raining outside. So that's
9 all there is to it. The dripping raincoat and umbrella is
10 circumstantial evidence of the fact that it has begun raining
11 outside.

12 So we'll do this again at the end of the case, but for
13 now, please have in mind that you may consider both direct and
14 circumstantial evidence in the case.

15 How do you decide what to believe and what not to
16 believe. Listen to the witnesses, watch them, and observe
17 them. And then decide whether you believe or disbelieve them
18 the same way that you decide those questions in your everyday
19 life.

20 Did the witnesses know what they were talking about?
21 Were they candid, honest, and truthful? Did they have a reason
22 to falsify, exaggerate, or distort their testimony? Use your
23 common sense and your good judgment to evaluate their testimony
24 based on all of the circumstances.

25 Now, it's very important that you keep an open mind

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1 throughout the case. Don't form any judgments until the
2 evidence has concluded, you've received the Court's
3 instructions on the law, and the case is submitted to you.

4 Remember also that the evidence comes in step by step.
5 First a witness testifies on direct examination, and then a
6 witness testifies on cross-examination. First the government
7 presents its evidence, and then the defense has the opportunity
8 to present its evidence.

9 So remember that there might be two or more sides to
10 every story, and you will not be in a position to know what you
11 believe or to make any judgment until you've heard all of the
12 evidence and the Court's instructions on the law.

13 Now, would you please be sure that none of your
14 friends or relatives is in the courtroom without my knowledge.
15 It's particularly important that they not be here when you
16 folks are in the jury room.

17 For example, what if you were in the jury room when I
18 was discussing with the lawyers whether or not a particular
19 piece of evidence was properly brought before you for your
20 consideration and I decided that it was not proper, and then
21 you went to lunch in China Town with your friend, and your
22 friend said, so what about that evidence? Then we'd have to do
23 the trial all over again. We don't want to do that.

24 If anyone you know comes into the courtroom, would you
25 please let me know at the earliest opportunity. You can put

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1 your hand up. You can send a note to whoever is sitting at
2 this desk, but please let me know right away.

3 I will reiterate. Please do not discuss the case
4 among yourselves or with anyone else. You'll discuss it among
5 yourselves only after all of the evidence is in, you've
6 received the Court's instructions, and you go into the jury
7 room to make up your minds. Until then, please keep your
8 impressions to yourself, not even boy oh, boy, did you see that
9 guy's haircut. Nothing.

10 Do not read anything about the case. Do not listen to
11 anything about the case. Don't allow anyone to speak to you
12 about the case. Don't do any research about the case. That's
13 it. No research at all about anything to do with the case,
14 including the names of the people involved. No research.

15 Remember again this is only for fairness to give the
16 parties an opportunity to know what evidence you've heard and
17 also to increase the reliability of the evidence.

18 These evidence rules we have look to giving you the
19 most reliable evidence. If you get it from some other place,
20 we never know. So it's just not fair. So no research, please,
21 on anything.

22 If you want, you may take notes about the case.
23 Remember, though, that the notes are for your own use. They're
24 not to be given or shown to anyone else. If you do take notes,
25 please leave them in the jury room at night. Put your name on

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1 the front of the book and just leave them there overnight.

2 I'll mention to you again that it's your job not to
3 speak to people involved in the trial, and it's their job not
4 to speak to you. So it doesn't even matter if it's good
5 morning. Everyone will understand that the other person is
6 just doing his or her job.

7 A few more words about trial procedure. In just a
8 minute, the lawyers are going to have the opportunity to make
9 opening statements. Now, of course, these statements are not
10 evidence, first of all, because it's a lawyer speaking, and you
11 know that the lawyers do not speak evidence.

12 But secondly, these statements provide nothing other
13 than an opportunity for the lawyers to tell you a bit about the
14 case and what they think the evidence will show, but those
15 statements are not evidence. The only evidence comes from the
16 witnesses and the exhibits.

17 After the opening statements, we'll hear the evidence.
18 Each witness will first give direct evidence, and then there
19 will be the opportunity for cross-examination. Sometimes
20 there's even redirect and recross.

21 After all of the evidence is received, the lawyers
22 will have an opportunity to sum up or to make a closing
23 statement to you. They might review the evidence. They will
24 no doubt make arguments to you about what they think the
25 evidence shows or doesn't show, but the summations are not

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1 evidence.

2 Also if at any time anyone, the lawyers or I, say
3 anything about the evidence that conflicts with your
4 recollection of the evidence, it's your recollection of the
5 evidence that controls.

6 Finally, after the summations, I will give you the
7 Court's instructions on the law. And following that, you go
8 into the jury room, look at whatever you want to look at in
9 terms of evidence, and make up your minds as to your verdict.

10 At the conclusion of the trial, I'll tell you in
11 detail what the government must prove in order to convict the
12 defendant. For the most part, I'll just ask you to remember
13 throughout the trial that the defendant is presumed innocent
14 and the government has the burden of proving guilt beyond a
15 reasonable doubt.

16 The indictment against the defendant is only an
17 accusation and is not evidence or proof of guilt. The
18 defendant, therefore, starts out with a clean slate.

19 This burden of proof beyond a reasonable doubt is
20 different from the burden imposed upon the plaintiff in a civil
21 case, and this burden is on the government until the very end
22 of the case.

23 I'll tell you more about it in the instructions at the
24 end of the trial, but for the minute, let me just say that this
25 burden means that the defendant and his lawyers need not

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Opening - Mr. Stansbury

1 present any evidence if they chose not to do so.

2 They could sit in silence through all of these
3 proceedings without saying a word, but you could draw no
4 inference against the defendant, if that's what the decision
5 was.

6 You may not find the defendant guilty unless and until
7 you are unanimously convinced beyond a reasonable doubt of his
8 guilt based on all of the evidence in the case.

9 With that, ladies and gentlemen, we will move into the
10 opening statements starting with the opening statement on
11 behalf of the government. I remind you these statements are
12 not evidence.

13 Gentlemen.

14 MR. STANSBURY: Thank you, your Honor.

15 Good afternoon. I'd like to bring you back to 2012.
16 In May of that year, two men met at a hotel in Eastern Europe,
17 and they met to make a deal. On the surface, they seemed like
18 your ordinary businessmen. They had lunch, they exchanged
19 pleasantries, they talked about buying and selling things.

20 But if you were there and you were able to listen in
21 about what they were talking about, you would have discovered
22 that many of the items that they were talking about buying and
23 selling were not ordinary -- components for Russian-made
24 fighter jets, military-grade surface-to-air missiles, providing
25 weapons to the government of Iran.

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Opening - Mr. Stansbury

1 One of these men was a supplier. He was a broker
2 based in Russia who had access to the types of military parts
3 and weapons that I'm talking about.

4 The other man was this man sitting here, Reza
5 Olangian. He was the buyer, the purchaser. And for the better
6 part of 2012, he worked tirelessly to get his hands on those
7 items that I was just mentioning -- military aircraft parts,
8 surface-to-air missiles, but also many, many other items, all
9 to sell them in Iran.

10 He didn't care that as a U.S. citizen, U.S. sanctions
11 made it illegal for him to sell these goods in Iran, and he
12 didn't care that it was illegal to buy surface-to-air missiles
13 so that you can shoot down aircraft. So why did he do it.
14 It's simple. For the money.

15 Starting in 2012, the defendant was a U.S. citizen
16 living in Iran, and he was looking for someone who could help
17 him purchase some military aircraft parts and some other items
18 that he could sell.

19 Through a contact, the defendant learned of a supplier
20 that could help him get what he needed. So he traveled to
21 Eastern Europe, and he met with that supplier as I had
22 mentioned.

23 In those meetings, the defendant made it absolutely
24 clear that he had an extensive list of items that he needed to
25 provide to the Iranian government. He also made it clear that

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Opening - Mr. Stansbury

1 he would be interested in buying not just aircraft components
2 but military-grade weapons systems like surface-to-air
3 missiles.

4 When he learned that that Russian supplier could
5 provide those things, he jumped at that opportunity. So, over
6 the next several months, the defendant negotiated a deal that
7 would basically involve 10 surface-to-air missiles and dozens
8 of military aircraft components, all of them ultimately to be
9 acquired and used by the Iranian government.

10 He examined the missiles he was going to purchase. He
11 negotiated the payment terms. He planned out the methods of
12 delivery, how he could get the weapons into Iran. For a while,
13 it looked like he was going to be able to do it.

14 You're going to learn that despite his best efforts,
15 he was never able to carry out that deal, and those items that
16 he hoped to acquire never made their way to Iran.

17 Why? Because while he and his associates were busy
18 trying to make that deal happen, there were a few things they
19 didn't know. They didn't know that the man that they had hoped
20 to buy from was not actually a weapons and aircraft parts
21 supplier. He was actually a confidential source working with
22 the United States Drug Enforcement Administration, the DEA.

23 Now, as you'll learn, a confidential source is a paid
24 undercover informant who works with law enforcement agencies
25 like the DEA. This was a carefully coordinated undercover

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1 investigation conducted and monitored by a specialized unit in
2 the DEA that was focused on weapons trafficking.

3 The man who was supposedly selling those weapons and
4 other items had been directed by that group to pose as a
5 supplier, but that's not all the defendant didn't know. He
6 also didn't know that the DEA had outfitted that man, the
7 confidential source, with hidden recording devices.

8 So at every major step along the way during those
9 negotiations, it was documented in a recording, and you're
10 going to see and hear those recordings during this trial.

11 Now, while the confidential source was not actually a
12 Russian-based weapons supplier, the evidence is going to show
13 that the defendant's desire to make this deal happen was very,
14 very real. His words and his actions are going to show that.

15 So, when the opportunity arose, he took it. He did
16 everything he could to make it happen. So, over the next few
17 days, we're going to present to you a great deal of evidence to
18 prove the charges against the defendant. At the end of the
19 trial, we're going to have a chance to talk to you again and
20 explain how all of that evidence fits together.

21 So don't worry if right now you don't remember every
22 detail that I'm talking about. It's all going to make sense
23 towards the end of the trial.

24 Today is just a chance for us to give you a preview of
25 what we expect the evidence will show during the trial so that

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1 when you hear testimony or see a piece of evidence, you have a
2 sense of how it's going to fit together.

3 So, with that in mind, I'd like to briefly walk you
4 through three aspects of this case: First, I'd like to
5 describe what we expect the evidence to show. Second, I'm
6 going to talk to you a little bit about the charges in the
7 indictment, the charging instrument. Third, I'm going to
8 briefly explain how we're going to prove our case.

9 So how did it all begin. Well, in 2011, as I
10 mentioned, there was a specialized unit within the DEA called
11 the Special Operations Division that was focused on
12 investigating international weapons trafficking.

13 As part of that investigation, the DEA learned through
14 a confidential source that the defendant was a U.S. citizen and
15 that he was interested in purchasing military-grade items that
16 he ultimately could illegally sell in Iran.

17 So when they found this out, the DEA got to work, and
18 they introduced a second confidential source, and that second
19 confidential source was the one who was going to pose as the
20 supplier, and you'll learn that his name is Max.

21 When the defendant learned that Max could potentially
22 get him what he needed, he wasted no time in going to meet him.
23 So you'll then learn that the deal played out in basically
24 three stages. The first stage was a set of meetings in Eastern
25 Europe, and this was where the defendant met Max and laid out

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1 what he was looking to purchase.

2 The second stage involved negotiating the transaction.
3 Over the course of the next few months, as I mentioned, the
4 defendant and Max communicated by telephone and email and
5 worked out a transaction that, as I said, had a mix of military
6 aircraft parts and missile systems.

7 The final stage was the logistics and execution stage.
8 This was where the defendant tried to work out the final
9 arrangements with his counterparts in Iran and where the
10 parties settled on the final details like purchase price, the
11 payment methods, the logistics of physically getting these
12 items into Iran.

13 So let's start with the first stage, those meetings in
14 Europe. You'll learn that in early 2012, the defendant, who
15 was living in Iran at the time, traveled to the Ukraine in
16 Eastern Europe.

17 And before the meeting, the defendant had been in
18 touch by email with a confidential source who went by the name
19 Mouboriz. This is a different confidential source than the one
20 I just mentioned.

21 In these emails, the defendant described that he had
22 contracts with business associates in Iran and that he was
23 looking to get certain products as a result.

24 The defendant wanted things like very specialized
25 aircraft parts for Russian-made fighter jets, military

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1 aircraft. He was hoping that Mouboriz could in turn put him in
2 touch with someone who could deliver.

3 By this time, the DEA was on to the defendant, and
4 they knew what he was looking to do. So they jumped into
5 action. They introduced this new confidential source, Max,
6 into the investigation posed as that broker.

7 So, in the spring of 2012, the defendant traveled from
8 Iran to the Ukraine or Eastern Europe to meet Max and get the
9 deal underway. Over the next two days, defendant and Max
10 talked through what the defendant wanted to purchase and what
11 Max was capable of providing.

12 So you'll learn that right off the bat, the defendant
13 made clear who the ultimate purchaser was, who was going to use
14 these items, and that was the government of Iran.

15 He also made clear that he was looking to purchase
16 very large quantities of whatever Max could provide. In fact,
17 he even brought a long list of items that he was looking to
18 purchase for his Iranian counterparts, basically like a wish
19 list.

20 He wanted what were known as cylinders, which you'll
21 learn were specialized parts that could be used in very special
22 Russian-made fighter jets. He wanted certain aircraft
23 electronic parts and aircraft navigational components.

24 Some of the things the defendant wanted he decided to
25 talk about only in person. Among other things, when he learned

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1 that Max could offer more than those things that I just
2 described, he made it clear that he wanted to arrange for the
3 acquisition of highly sophisticated weapons systems for the
4 government of Iran. He wanted to purchase a missile defense
5 system called the ES300.

6 He wanted to purchase specific types of Russian-made
7 missiles used to shoot down aircraft, so-called surface-to-air
8 missiles or anti-aircraft missiles called Iglas.

9 Now, you're going to hear a lot about Iglas in this
10 case, and you're going to hear that this was something the
11 defendant was very interested in because this was not the first
12 time he had tried to acquire them.

13 You see, a few years prior to this meeting in the
14 Ukraine, prior to meeting Max, the defendant had previously
15 tried to supply Igla surface-to-air missiles to Iran, and that
16 deal had gone south. So the defendant was interested in making
17 that happen this time.

18 So, by the end of those meetings in Eastern Europe,
19 the defendant and Max had worked out a plan of action. They
20 were going to start with a relatively small shipment, and this
21 was just to get to know each other and gain trust.

22 Then they were going to move on to larger things. Max
23 was going to go back to his people to find out how much of that
24 wish list that he could deliver on, and the defendant was going
25 to go back to Iran and talk to his associates to get the wheels

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1 in motion on that side. So they exchanged email addresses,
2 phone numbers, and agreed that they were going to be in touch,
3 and they were.

4 That brings us to stage 2, the negotiations. So, over
5 the next several weeks, the defendant and Max talked in more
6 detail about this first deal that they were going to do
7 together.

8 They sent emails to one another, they had phone calls,
9 and what they settled on relatively quickly was that the first
10 transaction together was going to involve 60 of those cylinder
11 devices that I had talked about and 10 of the Igla
12 surface-to-air missiles.

13 What took a little more time was working things out
14 like payment arrangements and the logistics of actually getting
15 this stuff into Iran across international borders. So those
16 discussions take place over several months.

17 Remember. By this stage in the deal, the defendant
18 had made it clear that his main customer was the Iranian
19 government. So, to avoid any complications or mishaps, he
20 wanted to actually see this stuff. He wanted to see what he
21 was buying. So he specifically asked to see the Igla missile
22 system that's being purchased.

23 So Max and the defendant make arrangements to meet in
24 Eastern Europe again where the defendant can take a look at the
25 goods, and that meeting ultimately has to be postponed. So

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1 they turned to plan B.

2 So, instead of the defendant traveling to Europe, they
3 have a video conference, and in that video conference, Max acts
4 like he's at a supply warehouse in Russia. In actuality, he's
5 with DEA agents who are witnessing and supervising this event.

6 Max shows the defendant a sample of the surface-to-air
7 missile that he's going to purchase, and he answers the
8 defendant's questions about the missile's specifications and all
9 of its capabilities.

10 In this video conference, the defendant is unambiguous
11 about what he wants. He wants those missiles. In fact, he
12 wants at least 200 of them.

13 Now, that's not all going to happen at once because
14 remember the defendant and Max had discussed starting with this
15 smaller transaction, a kind of test run that involved 60 of
16 those aircraft parts, the cylinders, and 10 of the missiles.

17 So, in the weeks that followed, they talked through
18 the logistics, and that brings us to stage 3. So, at this
19 point, there are some final questions that have to be
20 answered -- how is payment going to be made. How are the
21 cylinders and the missiles going to be delivered inside the
22 Iranian border. Is the defendant going to bring the missiles
23 inside Iran to test them out before paying for them. Those are
24 the issues that they had to work out before they could complete
25 and execute the deal.

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1 So, over the next several weeks, the defendant and Max
2 sort out those details. In the meantime, the defendant gets
3 his people in Iran ready for the shipment.

4 He arranges for an expert to look at the missile system
5 and begins making arrangements for a field test of the missile
6 system. He has meetings with Iranian government official to
7 discuss the acquisition.

8 Then in October of 2012, the defendant arranged one
9 final meeting with Max. The meeting was again supposed to take
10 place in Eastern Europe, this time in the country of Estonia.

11 But before the defendant could have that other
12 meeting, before he could go any further with his plan to
13 provide those missiles and aircraft parts to the Iranian
14 military, he was arrested at the airport by the Estonian
15 police, and then he was later transferred to the United States.
16 That basically brings us to where we are today.

17 Now, let me take just a moment to talk about the
18 charges in the case. The defendant is charged in four
19 different counts. Judge Preska gave you a small preview of
20 this, but I just want to talk briefly about these.

21 Now, two of the charges are conspiracy charges, and a
22 conspiracy is basically an agreement among people to break the
23 law. In one of the counts, the defendant is charged with
24 conspiring to acquire or transfer surface-to-air missiles, and
25 the other conspiracy count charges the defendant with

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1 conspiring to violate what you heard is called the
2 International Emergency Economic Powers Act or IEPA for short.

3 And you're going to learn a lot more about IEPA from
4 Judge Preska at the end of the trial, but basically this charge
5 relates to efforts by the defendant who, again, is a U.S.
6 citizen, to break the laws that prohibit U.S. citizens from
7 selling goods to Iran.

8 The other two counts in the indictment are attempt
9 charges, and they charge the defendant with actually attempting
10 to acquire and transfer the surface-to-air missiles and
11 attempting to violate IEPA.

12 So how are we going to prove these charges. Well, I
13 told you earlier that there were some things the defendant
14 didn't know when he was negotiating that deal. He didn't know
15 that the entire time he was negotiating the deal, he was
16 meeting and communicating with a man who was a paid
17 confidential source for the DEA.

18 That confidential source, Max, is going to come into
19 this courtroom. He's going to take the witness stand over
20 here, and he's going to tell you what he saw and what he heard,
21 and he'll take you through the deal from start to finish.

22 I also told you that the defendant didn't know he was
23 being captured on tape. From the very beginning, from the time
24 the defendant walked into that first meeting in Eastern Europe
25 with Max, the defendant was being recorded.

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1 You see, the DEA was also in the Ukraine at that time,
2 and before those meetings, they had outfitted Max with hidden
3 recording devices. So, when the defendant starts talking to
4 Max about his plans to provide all of those items to Iran, it
5 was all caught on tape.

6 The DEA also had Max record his telephone calls with
7 the defendant, and you're going to hear the defendant in his
8 own words negotiating the deal in those weeks and months that
9 passed. You'll also see video footage. You'll see video
10 footage taken by agents who are watching as the defendant met
11 with the confidential source.

12 You'll see the video conference where the defendant
13 was shown a sample of the surface-to-air missiles he was trying
14 to buy. You'll be able to watch as the defendant carefully and
15 meticulously studied the missile and requested the exact
16 specifications.

17 That's not all. As I mentioned before, the defendant
18 also communicated by email a lot. Those emails were recovered
19 and preserved in the DEA's investigation, and you'll be able to
20 review them yourselves. You'll see the defendant's own words
21 in black and white, words that make absolutely clear his
22 intentions and his actions, words that he can't take back now.

23 I want to be clear about something. Those are
24 communications not just with the confidential source, not just
25 communications relating to the deal I just described, but other

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1 deals that the defendant had brokered and was brokering while
2 he was dealing with the confidential source.

3 You're also going to be seeing documents like the list
4 the defendant took with him to those initial meetings in
5 Europe. You'll see documents that were recovered from the
6 defendant's laptop computer and other electronic media that he
7 had with him when he was arrested, documents like specification
8 names for Igla missiles that the defendant was trying to
9 acquire, documents related to the defendant's prior attempt a
10 few years earlier to negotiate a weapons sale with the
11 government of Iran.

12 You'll hear from witnesses. As I mentioned, you'll
13 hear from the confidential source who dealt directly with the
14 defendant, but you'll also hear from other types of witnesses.

15 You'll hear from law enforcement agents who were
16 involved in the defendant's arrest. For example, you'll hear
17 from one of the case agents who helped start the investigation
18 and who gave direction to the confidential source along the way
19 who witnessed many of the events that took place.

20 You'll hear from other types of witnesses.
21 For example, you'll hear from a computer forensics examiner who
22 analyzed the defendant's laptop computer that the defendant had
23 with him when he was arrested. She'll walk you through the
24 analysis and how the DEA was able to recover and reconstruct
25 some of the documents that were on the computer, including

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1 files that had been deleted.

2 On top of all that, you'll also hear about statements
3 that the defendant himself made about his own criminal conduct.
4 You see, after the defendant was arrested in Estonia, the DEA,
5 which had been coordinating with Estonian police, interviewed
6 him.

7 In his meetings with the DEA, the defendant confirmed,
8 in his own words, what had already been clear throughout the
9 investigation, that he had been engaged in extensive
10 negotiations to purchase cylinders, Igla missiles, and other
11 items, all of this to be sold to the Iranian government.

12 So, as you've gathered by now, there is a lot of
13 evidence in this case -- hours of recorded meetings and phone
14 calls, video footage capturing the defendant in the act, dozens
15 of incriminating emails, parts lists, contracts, other
16 documents. Let me make one thing clear right now. This is not
17 a complicated case. In fact, it's straightforward.

18 The defendant was a man looking to make a profit, a
19 substantial profit, and he was so eager to make money that he
20 was willing to buy and sell anything to anyone, even if it was
21 illegal.

22 So, when he was given that chance to purchase hundreds
23 of thousands of dollars worth of deadly weapons and other items
24 for the government of Iran, he didn't even hesitate. He jumped
25 at it. Fortunately, he didn't succeed. He was caught in the

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1 act, and he was caught on tape.

2 Now, as I mentioned before, we're going to have a
3 chance to talk to you again at the end of the trial, and we'll
4 walk you again through the evidence that you've heard during
5 the trial.

6 But between now and at that point, I just want to ask
7 you to do three things: First, please carefully evaluate each
8 and every piece of evidence that comes before you.

9 Second, please pay careful attention to Judge Preska's
10 instructions on the law. She's going to give you instructions
11 along the way in this trial on how you can use the evidence
12 that's presented, and she'll give you, as she said, more
13 instructions at the end of the trial.

14 Finally, as you evaluate the evidence and you listen
15 to those instructions, I'd like you to apply your common sense,
16 the same common sense that you use in your everyday lives to
17 make important decisions because that's probably the best guide
18 you have.

19 If you do those three things, the defendant will have
20 a fair trial, the government will have a fair trial, and you're
21 going to reach the only verdict that is consistent with the
22 evidence, that the defendant is guilty as charged. Thank you.

23 THE COURT: Thank you.

24 Ladies and gentlemen, we now move to the opening on
25 behalf of the defense.

GB7YOLA1

Opening - Mr. Ginsberg

1 Mr. Ginsberg.

2 MR. GINSBERG: Thank you, your Honor.

3 THE COURT: Same rules. This statement is not
4 evidence either.

5 MR. GINSBERG: Your Honor, my colleagues,
6 Mr. Olangian.

7 It's always a privilege to be able to stand before a
8 jury in a courtroom in a criminal trial in the United States
9 and represent another human being. It's an awesome privilege
10 and responsibility and one which I have accepted. That's what
11 I do. But accept it or not, it's a privilege to be able to do
12 that.

13 It's particularly a privilege today because, without
14 going into any detail, we've had a pretty crazy year in this
15 country. And tomorrow, as we all know, is election day.

16 I think, of all the trials I've ever had, I have not
17 had to give an opening statement on the day before election day
18 before, but during that process, there's been talk about the
19 Constitution, what it means, what this amendment means, what
20 this act means, what you can do, what you can't do.

21 The Constitution of the United States is written on a
22 piece of paper, but when it comes to the criminal justice
23 system and a criminal case and somebody has been charged with a
24 crime and alleged to have done it, you, ladies and gentlemen,
25 become the Constitution. You give life to the Constitution.

GB7YOLA1

Opening - Mr. Ginsberg

1 Because, as we all know, a person is entitled to a trial by his
2 or her peers where an impartial and fair jury listens to all
3 the evidence and makes a decision according to the facts and
4 the law.

5 The decision about somebody's guilt or nonguilt is not
6 made at this table. It's not made by these prosecutors or the
7 agents. It's made by you because the Constitution says that's
8 the way it should be, it ought to be, and it will be.

9 So you give light to the Constitution here today and
10 throughout this trial. There is almost no more sacred an
11 obligation except maybe your obligation tomorrow to exercise
12 your right to vote because you give voice to one of the most
13 important things that we all share in this country.

14 You just witnessed the jury selection process, and
15 however you may feel about sitting here having been chosen as a
16 juror or alternate, you saw the care that was taken by the
17 judge and by the parties to ask questions, sometimes to probe a
18 little bit, to make sure that each one of you came into this
19 case, sat here as a juror, and had the ability to be fair and
20 impartial, not be overwhelmed by what the charges are or the
21 language you may have heard or even the opening statement,
22 which is not evidence, of the government.

23 But you all had and demonstrated a willingness to be
24 fair and impartial. What goes along with that as the trial
25 progresses is your ability, each one of you, to keep an open

GB7YOLA1

Opening - Mr. Ginsberg

1 mind because the evidence will come in in pieces.

2 There will be different witnesses, and the temptation
3 may exist when you hear one witness to come to a conclusion,
4 but you haven't yet possibly heard the second or third or
5 fourth or fifth witness.

6 Also the way that a trial progresses is that the
7 government goes first. They have the burden of proof. So you
8 heard from Mr. Stansbury first, and now you're hearing from me.

9 The government will call its witnesses on what's
10 called direct examination, and then I will have an opportunity
11 to conduct a cross-examination. So I ask you, even as to each
12 witness, when you've heard the direct examination, continue to
13 keep an open mind. There's more to come.

14 That will continue through the government's case until
15 the government rests. After the government rests, as
16 Judge Preska has told you, the defense has no obligation to put
17 on any witnesses in the case.

18 I could sit there with my client and basically say to
19 the government, prove it. Prove it beyond a reasonable doubt,
20 and then come up to you and say, they haven't proven the case
21 beyond a reasonable doubt. I don't have to do anything.

22 But I'll tell you now, ladies and gentlemen, that's
23 not what we're going to do. You will hear testimony from our
24 side. You will hear testimony about all of these things you
25 just heard in the opening statement.

GB7YOLA1

Opening - Mr. Ginsberg

1 And, frankly, we embrace the evidence that the
2 government is going to put on. We're glad for the audio and
3 video and the emails because it will demonstrate to you that
4 beginning as early as 2007/2008, Mr. Olangian did contact
5 buyers and sellers for these various pieces of equipment and
6 material and even the surface-to-air missiles.

7 (Continued on next page)

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GB7AAOLA2

Ginsberg - Opening Statement

1 MR. GINSBERG: But you will hear why he did that and
2 why that happened. And you will hear that going back as early
3 as the 1980s how members of his family had been imprisoned,
4 beaten, tortured, harassed by the Iranian government.

5 Now as some of you may know, the judge has made
6 reference before to age categories -- and I'm not going to get
7 too specific -- but there's a history in Iran and that younger
8 members of the jury may only know about or remember the more
9 recent time period where we've all heard things about the
10 government of Iran and we've heard from their leaders about
11 their views. But there is a period that goes back to when
12 there was a king, a Shaw in Iran, and a revolution which turned
13 into a country run by religious figures with sort of a puppet
14 government. Hardly argue that it's democratically elected
15 government that's representative of the people.

16 And during that early time and moving up through the
17 1990s and into the 2000s you will hear about the activities of
18 Mr. Olangian's family and Mr. Olangian. You will learn that
19 both his brother and mother ultimately died in good substantial
20 part -- "good" is a bad word to use -- from injuries they
21 suffered years before as a result of beatings and stabbings by
22 the government, the government of Iran and its agents.

23 And you will hear that at some point Mr. Olangian's
24 family had enough resources to send him to the United States to
25 complete his education. And he went to school here in the

GB7AAOLA2

Ginsberg - Opening Statement

1 United States, college, graduate degree engineering as, at the
2 time, did many young Iranian students. The relationship
3 between the United States and Iran was somewhat different
4 during that period of time and so Iranian students came to the
5 United States.

6 They were permitted here on student visas to study in
7 the United States. Many of them eventually stayed in the
8 United States, applied to be resident aliens and then applied
9 to be and become United States citizens. Reza Olangian is one
10 of those people. He studied in Illinois. He studied in
11 Indiana. And while he was in school he participated in student
12 organizations regarding his country at that time where his
13 citizenship was before he became a U.S. citizen, the country of
14 Iran, groups that were formed by the students of Iran who were
15 opposed to the policy Iran. And there's a long history of that
16 up to the current day.

17 We don't hear about it here all the time. With all
18 the social media we have we don't always hear about what's
19 going on around the world particularly in countries where
20 information is suppressed, people are oppressed and the
21 information is not released. But he participated in these
22 organizations that had protests and demonstrations all directed
23 at policies of the government of Iran. He graduated school.
24 He married. He had two children who are American citizens. He
25 got jobs. He worked as an engineer.

GB7AAOLA2

Ginsberg - Opening Statement

1 When you heard the list of places earlier today that
2 the judge read off there was a whole series of places all
3 around the world and then the last place was Los Gatos,
4 California. That's where he lived with his family. He was
5 working. His wife was working. His two sons were going to
6 school. But always in his life there was a tug back to Iran to
7 do something about the way that government operated, to do
8 something for his family members who had been beaten and
9 arrested and tortured. And eventually he returned to Iran at a
10 time when it appeared that Iran might stabilize a little more,
11 become a little more democratic, small "d", that the government
12 may be more open, that people would be freer. He went back to
13 Iran. He started a business in Iran and as he was doing that.
14 He became involved in the politics in Iran again, opposing
15 policies of the government because when he first went back it
16 appeared that there was going to be a change for the better.
17 That's not what happened.

18 There were elections, the more moderate president or
19 candidates were not re-elected. A fellow by the name of
20 Ahmadinejad was elected president of Iran and that country
21 turned back inward away from the world, repressing its people,
22 causing economic sanctions to be placed upon it and those
23 economic sanctions have deeply affected the people, their
24 businesses, their livelihood. And what came along with that
25 was the fear and the power of the government.

GB7AAOLA2

Ginsberg - Opening Statement

1 And he was there during that period and he continued
2 and renewed his activities. He was in the streets
3 demonstrating, particularly, with a group called the Green
4 Movement, not the Green Party in the United States but the
5 Green Movement and you will hear about that. Demonstration
6 after demonstration after demonstration, tens of thousands of
7 people, millions of people, no change in the government. What
8 did it result in? Arrests, beatings, tortures, disappearances.
9 But he continued to do that. And at some point the pressure
10 was too much from the government and the movement started to
11 fall apart. People were scared, hurt. Reza Olangian started
12 to do other things to try to bring to the attention of other
13 countries what the Iranian government was really doing and was
14 really like if it wasn't already known. And he engaged people
15 inside Iran and outside Iran in Tajikistan and other countries
16 to try to see who were sellers of equipment illegal, Iglas,
17 aircraft parts, many other things and then see in Iran if he
18 could get someone associated with the Iranian government to
19 bite and say we want to buy these things. See if you can set
20 up a deal.

21 MR. STANSBURY: Objection, your Honor.

22 THE COURT: I know you are cognizant, Mr. Ginsberg, of
23 the conversions we've had.

24 MR. GINSBERG: I know it all runs afoul of it.

25 THE COURT: Remember, ladies and gentlemen, that

GB7AAOLA2

Ginsberg - Opening Statement

1 nothing any of the lawyers say is evidence. The only evidence
2 comes from the witnesses and the exhibits and then you are
3 guided by the Court's instructions.

4 MR. GINSBERG: You will hear this testimony from the
5 witness stand. It's not just that I'm standing here telling it
6 to you now. You will hear it and you will have the opportunity
7 as the judges of the fact to judge it.

8 You heard the government talk about all these various
9 potential transactions, tried to get this, tried to get that.
10 It's always tried to because nothing ever happened. From
11 2007/2008 through the time of his arrest there were no deals
12 completed because it was never Reza Olangian's intention to
13 allow the deal to be completed or the transaction to be
14 completed or to conspire to actually do it. It was his desire
15 to get the Iranian government on the hook on a contract, on a
16 piece of paper that would definitively show what they were
17 trying to do.

18 Now, you may be sitting there right now thinking to
19 yourself, that's pretty farfetched. But you know we live in a
20 country where a lot of things that we see around the world
21 never happen. Unfortunately, the more recent years we have
22 been touched by things that we never thought would happen here.
23 But there are places in the world and countries where
24 repression is constant, where the people are constantly
25 fighting their own government literally, fighting their own

GB7AAOLA2

Ginsberg - Opening Statement

1 government for their own view of democracy and freedom. It's
2 hard sometimes to put yourself in that position and understand
3 that.

4 You will hear from an expert witness who has testified
5 as an expert many times before, and almost always on behalf of
6 the government about the politics and social history of Iran so
7 you can better understand the background that we're dealing
8 with here and you will learn why none of these things happened.
9 But you will see how persistent Reza Olangian was to try to put
10 the Iranian government in the position he wanted them in and
11 that is to be exposed to their own people and the world for
12 what they were all about. It became clearer to everybody as
13 Mr. Ahmadinejad began to speak around the world and at the UN
14 and say some of the things that he said, there was no doubt
15 what he was representing and who he was representing.

16 But Mr. Olangian had his part and there were others
17 too, not just him. And you will hear that his wife -- he
18 separated eventually from his wife who lived in the United
19 States with his two children because he went back to Iran and
20 for various reasons which you'll hear about, the marriage fell
21 apart and he married again. And the woman he married again
22 agreed with his political views and assisted him in many of the
23 things that he was doing and you'll hear about that. And you
24 may see or hear, I don't know, tapes, calls, e-mails but
25 eventually he does have these video/audio-taped conversations.

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Ginsberg - Opening Statement

1 Yes, he didn't know they were being taped but he had them for
2 the reasons that I've explained and you'll hear. And there
3 were Skype sessions and there were the e-mails and telephone
4 calls and then he gets arrested.

5 And when he gets arrested in Estonia, rather than sit
6 there and say nothing, he asks to speak to the United States
7 representatives because he was arrested at first by the
8 Estonians. And when he speaks to the United States
9 representatives he has in his mind one major thing and that is
10 he's been arrested, his wife has assisted him in some of these
11 things. She is in big danger and exposed. And he speaks to
12 the agent and tells them mean things which you'll hear which
13 were written out in and turned into reports which we're not
14 contesting. But he arranges with the agents to be able to
15 speak to his wife and to be able to get her to some degree of
16 safety and continues to talk to the agents and tells them a
17 story which is not completely true.

18 But what he also does is he reaches out to his wife
19 and asks his wife to send him documents about the things he was
20 doing. And not only did he do that when he was in Estonia but
21 he is then brought to the United States to come into the United
22 States court system and he again asks to meet with the
23 government. And his lawyers turnover to the government various
24 documents including contracts that purport to be contracts that
25 would agree, if he wanted to go forward with it, to sell and

GB7AAOLA2

Ginsberg - Opening Statement

1 buy these various weapons, given to the government by his own
2 lawyers, not afraid to do that. Not something you're going to
3 do if you're guilty and you're going to turnover all the
4 evidence.

5 MR. STANSBURY: Objection, your Honor.

6 THE COURT: Counsel knows not to vouch for what a
7 client --

8 MR. GINSBERG: You can judge for yourselves what you
9 think somebody would do under those circumstances. You will
10 hear his testimony. You'll be the judges of the facts and it
11 is critically important that you keep an open mind because it
12 would be far too easy having heard the opening statement and
13 you are going to hear very soon -- well, Wednesday -- testimony
14 from an agent who has an overview of the whole case who is what
15 they refer to as the case agent, testimony from Max, audios,
16 videos. Keep an open mind through all of that because there's
17 more to come.

18 When you have all of the information and you have all
19 of the facts then you can arrive at a fair verdict. If you
20 keep an open mind and you're fair and impartial and don't jump
21 to conclusions which we know that you'll be able to follow and
22 do because of what you've told us here today, you will hear
23 from me I guess whether you like it or not. I hope you like
24 it. But during my cross-examinations I have an opportunity to
25 speak to the witness and then at the end of the case in the

GB7AAOLA2

Ginsberg - Opening Statement

1 summation.

2 But it will be you, ladies and gentlemen, the
3 Constitution that makes a determination as to whether or not
4 the government has proven its case beyond a reasonable doubt
5 and proven the willfulness or intention of Reza Olangian to
6 break the law, which I suggest to you when you've heard all the
7 evidence you will not find that he did.

8 Thank you very much.

9 THE COURT: Thank you, Mr. Ginsberg.

10 Ladies and gentlemen, we will break for the day today.
11 Please remember your instructions not to discuss the case among
12 yourselves or with anyone else and not to do research. We
13 would like to be ready to start promptly at ten o'clock on
14 Wednesday. There will be coffee for you in the jury room at
15 9:30. Remember, you need to get into the building through
16 securities and you also want to drink your coffee before you
17 come out in the courtroom. So plan to get here a little early.
18 I know some of you come from Putnam. It'll take a little
19 longer. So try your best to get here so that people don't have
20 to wait and we can complete our work in a timely manner.

21 Thank you for your attention today, ladies and
22 gentlemen. Have a good day tomorrow. I look forward to seeing
23 you Wednesday morning.

24 (Jury not present)

25 THE COURT: Counsel, is there anything further on the

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Ginsberg - Opening Statement

1 record?

2 MR. STANSBURY: Your Honor, just one thing. I think
3 in light of the defense's opening, we will likely be wanting to
4 propose a revision to our limiting instruction. We can address
5 that at the appropriate time but I have just want to flag it
6 for your Honor.

7 THE COURT: Of course. Anything else on the record?

8 MR. STANSBURY: No, your Honor.

9 THE COURT: Off the record.

10 (Adjourned to Wednesday, November 9, 2016 at ten p.m.)
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